



KYMCO

STR MOTORSPORTS, INC.

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06V-269
(5 pages)

SAFETY DEFECT NONCOMPLIANCE REPORT 49 CFR PART 573

On July 13th, 2006 Kwang Yang Motor Co., LTD. (KYMCO) determined that a defects which relates to compliance with Federal Motor Vehicle Safety Standards exists on the motor vehicles listed below and is furnishing notification to the Federal Highway Traffic Safety Administration in accordance with "49 CFR Part 573 Defect and Noncompliance Reports".

Report Prepared, July 17, 2006

Manufacturers identification code is "RFB"

Manufacturers corporate name:

Kwang Yang Motor Co., LTD.

Agent for Service Process:

STR Motorsports Inc.
1770 Campton Rd.
Inman, SC. 29349

Contact Name:

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Vice President of Operations
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Report Prepared by
Joe Wofford
VP of Operations

Signature:

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I. MODELS INVOLVED IN THIS RECALL.

Make: KYMCO

Model year involved: 2006 and 2007

Model: Agility

Production Dates: Beginning: May 2006 **Ending:** June 2006

VIN range:

2006 Beginning: RFBU6A0346B000101 **Ending:** RFBU6A0316B000802

2007 Beginning: RFBU6A0327B000101 **Ending:** RFBU6A03X7B000587

Vehicle type: Motor Driven Cycle. **Body Style:** 2 wheeled motor vehicle.

The affected models are distinguished from the unaffected models by the model name AGILITY.

Based on inspections, it is expected that 100 percent of all models produced with the name Agility will be affected by this recall within the dates and VIN's specified.

II. RECALL POPULATION.

Total number of Vehicles recalled containing the defect:

Model	Year	Number of vehicles involved.
Agility	2006	432
Agility	2007	486
Total number:		918

Percentage of the total number of units estimated to contain the defect: 100%

The recall population was determined by the number of units produced with the model name Agility between the dates and VIN range provided above.

III. DESCRIPTION OF DEFECT.

Description of the nature and physical location of the defect:

During production the mandatory “engine stop switch” was not installed by the manufacturer. The stop switch is to be located on the right hand switch assembly on the handlebar with a red toggle.

Description of the cause of the defect:

Incorrect material list during the assembly of the finished product at the production facility.

Description of the consequences of the defect:

The operator will not be able to stop the engine from running by the fastest means possible in case of emergency.

IV. CHRONOLOGY IN DETERMINING THE DEFECT.

July 7, 2006:

The Sales office of STR Motorsports Inc. acting Agent of Service Process and Distribution Center was notified by a small number of selling dealers that the engine stop switch was not installed on his Agility model.

On the same date the sales office ordered an Agility model to be shipped from the warehouse facility in Little Rock Arkansas for full inspection by the STR Motorsports Technical Staff for verification of the dealers comments.

July 13, 2006

Agility model was delivered to STR Motorsports Inc. and inspected. It was determined that the report was correct and that a recall must be implemented in order to correct this production error.

July 13, 2006

A discussion was held between STR Motorsports and KYMCO Taiwan to determine the fastest action. KYMCO Taiwan advised STR Motorsports Inc. that a replacement switch would be delivered by July 27th 2006 for immediate action related to the recall.

V. REMEDY

Description of remedy for defect.

The compliant engine stop switch will be provided to the US dealers who have purchased the Agility models for immediate replacement. The parts will be shipped as soon as they arrive and will be distributed along with a labor credit claim form.

Distinguishing characteristics of the remedy component.

The replacement part will have a red toggle switch properly marked as the engine stop switch. (An open circle and a circle with an X over it.) The defective part will not have this switch.

Corrections made to the production line.

As a result of this issue the assembly line has been advised of the incorrect switch used and will correct the build standards accordingly to meet the US requirements.

VI. RECALL SCHEDULE.

- 1. STR Motorsports Inc. has identified by VIN and part number which vehicles were produced and has also determined which dealer has purchased the affected models.**
- 2. STR Motorsports Inc. has identified by VIN, all consumers that have purchased and have warranty registered the affected models.**
- 3. STR Motorsports Inc. has stopped the sales of the Agility model until this recall is implemented.**
- 4. STR Motorsports Inc. has prepared a bulletin for its dealers and a Safety Recall notice for its consumers and will send them via registered mail commencing July 19th 2006.**

- 5. STR Motorsports will post the details of this recall on its public website in order to advise existing and potential customers of this issue.**
- 6. Kwang Yang Motor Co., LTD will deliver the correct engine stop switch no later than July 27th in order to begin the immediate replacement of the defective switch.**

Foreseeable problems with implementing the recall:

- 1. STR Motorsports Inc. cannot make direct contact with 100 percent of retail consumers if he or she has not warranty registered the vehicle.**
- 2. In many states the Agility model conforms to a Moped category and does not require any registration by the individual State Department of Motor Vehicles. Therefore, some consumers will be difficult to notify via direct mail campaign.**